
Transportation and Communications Committee
October 10, 2005

Action Minutes

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE TRANSPORTATION AND COMMUNICATIONS COMMITTEE. AN AUDIOCASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.

The Transportation and Communications Committee held its meeting at the SCAG office in downtown Los Angeles. The meeting was called to order by the Honorable Harry Baldwin, Chair, City of San Gabriel. There was a quorum.

Members Present

Baldwin, Harry	City of San Gabriel
Beauman, John	City of Brea
Becerra, Glen	City of Simi Valley
Bone, Lou	City of Tustin
Burke, Yvonne	City of Los Angeles
Correa, Lou	City of Orange County
Dale, Lawrence	City of Barstow
Daniels, Gene	City of Paramount
DeLara, Juan	City of Coachella
De Young, Cathryn	City of Laguna Niguel
Dixon, Richard	City of Lake Forrest
Dunlap, Judy	City of Inglewood
Flickinger, Bonnie	City of Moreno Valley
Gabelich, Rae	City of Long Beach
Garcia, Lee Ann	City of Grand Terrace
Gurule, Frank	City of Cudahy
Hernandez, Robert	City of Anaheim
Herrera, Carol	SGVCOG
Joffe, Enid	San Gabriel Valley COG
Lowe, Robin	City of Hemet/RCTC
Lowenthal, Bonnie	City of Long Beach
Millhouse, Keith	City of Moorpark
Moqet, Shenna	WRCOG
O'Connor, Pam	City of Santa Monica
Ovitt, Gary	San Bernardino County
Pettis, Greg	Cathedral City
Ridgeway, Tod	City of Newport Beach
Roberts, Ron	City of Temecula
Rutherford, Mark	City of Westlake Village
Smith, Greg	City of Los Angeles

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Members Present cont/d

Sykes, Tom	City of Walnut
Szerlip, Don	South Bay Cities COG
Uranga, Tonia Reyes	City of Long Beach
Wapner, Alan	City of Ontario

Members Not Present

Adams, Steve	Riverside, WRCOG
Aldinger, Jim	City of Manhattan Beach
Brown, Art	City of Buena Park
Buckley, Tom	City of Lake Elsinore
Fasana, John	City of Duarte
George, Gary	City of Redlands
Herzog, Peter	OCOG
Marshall, Patsy	City of Buena Park
Mikels, Judy	Ventura County
Miller, Paul	City of Simi Valley
Smyth, Cameron	City of Santa Clarita
Spence, David	City of Arroyo Verdugo
Stone, Jeff	Riverside County
Talbot, Paul	City of Alhambra
Tyler, Sidney	City of Pasadena

New Members

Ramirez, Rick	City of Norwalk
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Voting Members, Not Elected Official

Casey, Rose	Caltrans
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1.0 CALL TO ORDER & PLEDGE OF ALLIGANCE

Chair, the Honorable Harry Baldwin, called the meeting to order at 10:32 a.m.

2.0 PUBLIC COMMENT PERIOD

There were no public comments at this time

2.0 REVIEW and PRIORITIZE

4.0 CONSENT CALENDAR

4.1 Approval Item

4.1.1 Approve Minutes of September 1, 2005

4.2 Receive and File

4.2.1 State and Federal Legislative Matrix

4.2.2 SCAG Future Events Calendar

MOTION was made to approve the Consent Calendar items with an AMENDMENT to correct a typo, punctuation, and a grammar error in the first sentence of the third paragraph on Page 6 of the Action Minutes.
Motion to move the item was SECONDED and UNANIMOUSLY APPROVED.

5.0 ACTION ITEMS

5.1 Regional Comprehensive Plan Approach

The Honorable Pam O'Connor, City of Santa Monica, began by stating that the main comments that were studied and raised at the policy committee meeting were on local control issues. The Envision Program would be based an Opt-In approach for local jurisdictions. Part of this was based on CEQA reform which is unlikely to occur this year as a result the expanded RCP is being proposed to help facilitate implementation in the Region in the absence of CEQA reform. The additions to the plan approach include: developing plan outcomes and coordinating with other planning agencies at the state and regional level. The "Open Space and Habitat" will be the main chapter focused on.

Definition of the Opt-End approach means that once the plan is in place, local governments can choose to amend a general plan to create consistent specific plans

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at their choice. Any consistent general or specific plan would be required for projects to be eligible for streamlining. Local governments that update their plans that have the specific plans that are consistent with the Regional Plan, would be eligible for incentive funding. Those local governments that choose to not have the incentive funding, would have all the local control they would need in reviewing the environmental process of the projects. Cities would not be mandated to have conformity as a result of the Opt-End process which is a vehicle that allows the cities to adopt a specific plan, by choice, in an area that fits the goals of the RCP that allows the cities to take advantage of the streamlining and financial incentives.

Hasan Ikhata, SCAG Staff, then explained that whether it is the RTP or the RCP it is a bottom up approach. Staff gets input from the stakeholder, then goes to the Regional Council, ultimately the Task Force makes a recommendation and then the Regional Council makes a decision. Regarding Compass and the RCP approach it is not a desire of SCAG', nor on your part as a decision maker of this organization, to start telling local governments or COG's what to do. This is a process where input is gathered, an option is put on the table, and those cities or COG's who feel there is a good reason to participate will do so. At some point the input process will be closed and the committee will come up with a recommendation, but between now and April 2007 is the time when the ideas need to be finalized.

The State has created a working group, of which SCAG is a part of, that discusses CEQA reform. We have been asked for our ideas on what form the reform will take. Staff feels that the RCP will play into the discussion on what is going to happen this year and next year with CEQA reform. The question being asked is, "if things can be done at the Regional level, can then enhance or improve later on the way we do business at the local level especially regarding housing?" Can this yield a better way of providing affordable housing? The idea is if a detailed Environmental Impact Report (EIR) is developed, cities who are interested can tear off that EIR and save a lot of money. There are things that can be done at the regional level that could eliminate project specific work that cities may be required to do. If a city finds that the Regional Impact Analysis is beneficial and they can eliminate that from their project specific, then that is where the money savings is.

The RTP is one chapter in the nine chapters of the RCP. The EIR will focus on two chapters in detail; the RTP which will include all modes of transportation, including airports and which we are required by law, and the Open Space. At the city level and the sub-regional level, our planners are the individuals who will be the key people in the Open Space process. Each of the policy chapters will come back to the policy committees in terms of the process. The policy committees will have their respective chapters, but the committee in charge of the RCP is the CEHD.

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The cost of the plan is approximately three million dollars over two years; the three million budget is currently set aside from the federal grant we get. This is part of the eighteen million dollars we have been awarded by the Federal Government for the complete planning grant.

Closing dialogue was based on the confusion as to whether all fourteen COG's currently had a participant on the RCP Task Force and whether or not a COG participant would have a voting right in addition to a member city elected official that is already a member of task force. Staff will review the task force committee membership issue and will bring it back to the Regional Council next month to make sure the representation issue is resolved.

MOTION was made to recommend that the Regional Council approve the proposed approach with the AMENDMENT of having each COG represented on the RCP Task Force. MOTION was then moved, SECONDED with two abstentions, Councilmember Tod Ridgeway, City of Newport Beach and Councilmember Rae Gabelich, City of Long Beach, and APPROVED.

6.0 INFORMATION ITEMS

6.1 Port & Modal Elasticity Study

Nancy Pfeffer, SCAG Staff, gave a presentation on the report prepared for SCAG under contract by Professor Robert Leachman of UC Berkeley which analyzed the "elasticity" of demand for the use of the Ports of Los Angeles and Long Beach in response to possible container fees to help fund needed goods movement infrastructure in the SCAG region. The report's key findings are that:

- Shippers are more sensitive to landside congestion that slows freight movement than to the imposition of fees.
- A fee of about \$190 per FEU (forty-foot equivalent container unit) that retires the bonds on an ambitious program of congestion relief appears to be a safe and effective investment.
- The imposition of a container fee, up to a certain point, could actually help boost trade volume through Southern California if it is invested in congestion relief.
- Wisely invested fees could have the effect of attracting high-value freight to the region, while reducing lower-value freight. Higher-value freight is the type that creates employment for blue-collar workers. Lower-value freight is the type that simply passes through the region, imposing burdens and costs without creating economic benefits.

The study forms the basis for developing a business case for private sector investment in goods movement infrastructure. The goal is to arrive at a negotiated fee that will

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have value for shippers and carriers, rather than an imposed fee which will almost certainly be opposed.

Shippers who contributed data for this study did not know in advance what the outcome would be, and have not endorsed the study findings. Staff is now conducting outreach to shippers, carriers, and other private sector stakeholders to share the findings and seek feedback. Additional staff analysis, not included in the study, has indicated the following:

- If user fees in the form of tolls were levied to help repay the cost of dedicated truck lanes, the return on a dollar paid in tolls might be as much as \$5 to \$11 for carriers. This analysis begins to build a case that these fees would have value for the private sector resulting in a positive return on investment.
- Combining public and private financing mechanisms, it would be possible to finance the projected total of \$26 billion in regional goods movement infrastructure needs. Within the \$190 to \$200 limit established by the elasticity study, it would be possible to finance an additional \$10 billion to address reduction of public health impacts associated with diesel fuel usage for freight movement.

The structure of this study basically had two pieces to it. One was an industry assessment and this was based on a great deal of stakeholder input. A great deal of outreach to the industry was made in order to gain an understanding of the industry. What is the economic decision making process for shippers and what are the concerns in deciding which port to use and where to go? In terms of methodology, the study divided the U.S. into twenty one destination regions and looked at the volumes coming from Asia distributed among all the regions proportional to the regions purchasing power. The goal was to try to minimize the total transportation and inventory cost for each importer.

A summary of the most substantial benefits are:

- Shippers are going to get a reduction in their inventory cost.
- If we can build these facilities, truckers are going to get their speed up in trucking, speed up in rail transit for the region.
- Southern California will have more employment opportunity, get reduced congestion and improved safety for the driving public, and improved air quality because of less diesel idling and transition to clean fuel.

The next steps will entail future work of a more detailed Goods Movement system design, further analysis of specific projects and specific benefits, and a bid for a short run elasticity model. Staff will then bring back this information and results to our committees, shippers, developers, and community groups.

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6.2 State Legislative End of Session Update

Don Rhodes, SCAG Staff, stated that since last month's Staff update to the committee on Federal Legislation, including the Reauthorization Act, there had since been some drawbacks that may affect how the funding comes through in both the reauthorization and appropriation. For the first time since 1977, Congress is actually considering re-doing the appropriation that is now in effect.

Mr. Rhodes then introduced Josh Shaw, SCAG lobbyist, who gave a summary on the State Legislative End of Session. Mr. Shaw stated that Proposition 42 has been suspended by the Governor and Legislature this year. The positive side to this is those monies flowed, the negative side is, the work is not done because this is just a one year appropriation. Consequently, the money will be vulnerable next year and every year thereafter if there continues to be State Budget deficits.

Another transportation issue is how to fund the Bay Bridge retro-fit project.

One of Southern California's positions has consistently been, don't spend very much state money on that bridge as it is a Bay Area concern. There was a political compromise this summer as part of the 05-06 budget deal which did pitch in some state money. The majority of that compromise involved essentially more San Francisco Bay funds being generated; as a result an additional dollar will be added to the toll to cross the bridges in the Bay Area.

A package of bills was introduced this year on infrastructure improvements at the ports. Some of the bills were introduced by the Governor on behalf of his GoCalifornia set of initiatives to try to streamline transportation programming, design, engineering, and construction. The Democrats in the Senate and Assembly also had their own package of bills. SCAG was very involved in trying to move a package of bills forward anticipating the need to do infrastructure improvements. At the end of the legislative session, no bills went to the Governor's desk, but the Governor and the four legislative leaders in the Assembly and Senate got together and said late in the session that they were going to make transportation funding, infrastructure design, program delivery, etc., a priority early in the 2006 session. SCAG staff will continue to work with the various task forces that are designing those bills to make sure that the authority is such that you will appreciate.

In regards to CEQA, the vehicle that has been identified by the Senate President Pro-Tem, if there is to be CEQA reform for him that would be in Senate Bill 832 which is moving through the process. There is no specific proposal for this bill yet, there is a lot of task forces working on it. The financing mechanisms for this bill are contained in a general obligation bond act that Senator Perata is pushing. He wants to spend about 10 billion dollars in infrastructure investments all over the State in Senate Bill 1024. There are several billion dollars for direct transportation project improvements; there is a couple billion dollars for repayment of previous Proposition 42 loans or

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transfers. There are some new dollars that have been placed into this bond act more recently that tie to the CEQA reform and the Comprehensive Planning process.

7.0 MAGLEV TASK FORCE REPORT

Councilmember Robin Lowe, City of Hemet/RCTC, stated that a presentation was given to the task force for the Lockheed Martin. Phase II is going to be introduced and continue with the IOS on this from West L.A. to Ontario. The Alternative Analysis contract for Cambridge Systematics will analyze the Maglev and High Speed Rail of the State on the initial operating segment. This was the agreement made when the JPA came together, they agreed on looking at the Alternate II Maglev.

The Shanghai trip was put on hold dependent upon outside funding. The next task force will meet on Thursday, November 10th, from 11:00 a.m. – 1:00 p.m.

8.0 CHAIR REPORT

Councilmember Harry Baldwin, Chair, City of San Gabriel, requested that the committee members familiarize themselves with the Goods Movement Study for the November workshop.

9.0 STAFF REPORT

None at this time.

10.0 GOODS MOVEMENT TASK FORCE REPORT

None at this time.

11.0 FUTURE AGENDA ITEMS

None at this time.

12.0 ANNOUNCEMENTS

None at this time

13.0 ADJOURNMENT

The Honorable Harry Baldwin, adjourned the meeting at 12:17 p.m.

The next committee meeting will be held on **Thursday, November 3, 2005, 9:45 a.m., at the SCAG office.**



Rich Macias, Manager
Transportation Planning Division